

Mandate of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

REFERENCE:
AL OTH 33/2020

27 April 2020

Dear Mr Ahlsén,

I am writing to you, in our capacity as the United Nations Special Rapporteur on the right to adequate housing and the Working Group on the issue of human rights and transnational corporations and other business enterprises, pursuant to Human Rights Council resolutions 34/9 and 35/7.

I am independent human rights experts appointed and mandated by the United Nations Human Rights Council to report and advise on human rights issues from a thematic or country-specific perspective. I am part of the special procedures system of the United Nations, which has 56 thematic and country mandates on a broad range of human rights issues. I am sending this letter under the communications procedure of the Special Procedures of the United Nations Human Rights Council to seek clarification on information I have received. Special Procedures mechanisms can intervene directly with Governments and other stakeholders (including companies) on allegations of abuses of human rights that come within their mandates by means of letters, which include urgent appeals, allegation letters, and other communications. The intervention may relate to a human rights violation that has already occurred, is ongoing, or which has a high risk of occurring. The process involves sending a letter to the concerned actors identifying the facts of the allegation, applicable international human rights norms and standards, the concerns and questions of the mandate-holder(s), and a request for follow-up action. Communications may deal with individual cases, general patterns and trends of human rights violations, cases affecting a particular group or community, or the content of draft or existing legislation, policy or practice considered not to be fully compatible with international human rights standards.

In this connection, I would like to bring to your attention information I have received concerning the impact of **Akelius' business model on the right to housing of tenants in Akelius' apartment blocks in Canada, Germany and the United Kingdom.**

According to the information received:

Akelius and its subsidiaries have been operating in the residential real estate market since 1994, and, as of 2019, Akelius has over 44,000 rental apartments, valued at nearly €12bn, under its management. The large number of apartments owned by Akelius means that the company is an important housing provider in many cities and in this regard is serving a public function in those areas.

Akelius's business strategy is centred on the utilisation of the rental income from its apartments to generate profits, with these being channelled to three Bahamian-registered foundations with charitable purposes. With its significant portfolio of residential properties under management, its profit-making purposes, and its global reach, Akelius is a major supplier of housing and a well-recognised contributor to what has come to commonly be known as the 'financialization of housing'. The financialization of housing refers to the shift that has taken place whereupon peoples' homes are now being utilised as a traded commodity by global investors in order to create profit. This is having a profoundly negative impact on the human right to adequate housing worldwide, including, *inter alia*, driving a lack of affordability, decreasing availability, negatively impacting habitability and increasing homelessness. These impacts are often perpetuated and exacerbated by the drive by institutional housing investors to increase and maximise their profits, including by raising rents, which has been shown to significantly detriment enjoyment of the human right to adequate housing.

Akelius's business practices include purchasing apartments in metropolitan areas, usually with rent-capping regulations or guidelines in place, and utilising loopholes within those regulations that allow rents to be raised beyond the prescribed maximum limits where substantial modernization has taken place. The apartments owned by Akelius are typically located in rent-controlled areas of major cities such as Berlin and Toronto. As of 2018, 96 per cent of Akelius's rental units were located in areas which had some form of rent control in place.¹

Akelius also owns a smaller number of apartments in non-rent controlled areas or areas with only non-mandatory rent guidelines, such as London and Montréal. Where no rent-controls are present, or where only non-mandatory guidelines are provided to suggest what level of rent increase might be appropriate in a given situation, landlords are generally not restricted from raising rents as they wish, although in certain situations these increases may be challenged in court. In rent-controlled areas, landlords are typically restricted from raising rents beyond a particular pre-determined level each year in order to protect tenants from arbitrary increases in their housing costs which decrease housing affordability both for the tenants themselves and for other local residents, as surrounding rental prices typically increase to match highest local rates. Rent controls are therefore a vital protective instruments for tenants and help to promote affordability, particularly in areas where housing is typically very expensive.

In non-rent-controlled areas where Akelius has apartments, modernizations are similarly used to maximise the rents that can be charged to tenants for living in a particular property. These practices have been shown to have significantly negative effects on the habitability and security of tenure of existing tenants' homes, whilst the rent increases generated as a result are decreasing affordability

¹ Akelius Residential Property AB, 'annual report 2018' 14, available at: <https://mb.cision.com/Main/3302/2798336/1033090.pdf>

for both existing and future tenants, with the sole purpose of increasing profits for Akelius.

Information obtained suggests that Akelius is utilising renovations and modernizations of apartments and apartment blocks as a method of raising rents both in non-rent controlled and rent-controlled apartments. In non-rent-controlled apartments, modernizations are typically undertaken in order to increase the level of rent that can be charged to new tenants, whilst in rent-controlled apartments they are utilised in order to take advantage of loopholes which allow housing providers to raise rents above the caps that have been defined by the regulations where certain conditions are met, including for example that substantial renovations have been undertaken on the property.²

In this regard Akelius is known to modernize existing tenants' apartments and buildings and use that as a vehicle to raise rents (regardless of whether those units actually require upgrades). On other occasions Akelius will wait for tenants to move out of their homes – of their own volition or as a result of the atmosphere created on site by Akelius - and will then modernize the apartment and let the apartment at a considerably increased amount. Lastly, reports indicate that Akelius also undertakes 'renovictions', whereby tenants are handed notices to quit their properties so as to free these units to be renovated and re-rented for inflated rates. Each of these scenarios has been shown to have deeply concerning implications from a human rights perspective and are having a significantly negative impact on tenants' enjoyment of their right to adequate housing.

Renovating and raising rents for existing tenants

Whilst, within its documentation, Akelius claims that it only upgrades vacant units and that "no tenant should be forced to accept a higher standard and thereby a high rent against their will",³ evidence suggests that this claim is inconsistent

² In Toronto, for example, rent increase guidelines are published yearly by the provincial government which sets the maximum amount landlords are allowed to increase their tenants' rents. For 2020, the maximum increase allowed is 2.2 per cent, however new rents can be set at the market rate and landlords can equally apply to the Landlord and Tenant Board for special dispensation to increase rents by up to 9 per cent above the rent-cap over three years where they undertake renovation work. In Berlin, rents are currently restricted to comparative local rents plus 10 per cent, although as of early 2020, rents for the majority of apartments will be frozen for five years with a cap on monthly rents at €9.80 per square meter. Additionally, landlords will be prohibited from charging new tenants more than the previous tenant paid and from 2022, landlords will only be able to increase the rent in line with inflation. Whilst the new legislation is regarded as comprehensive in its ability to close loopholes, it still excludes apartments in blocks built after 2014, and until it comes into force landlords may increase their rents at much higher levels than the current rent-cap allows where they can demonstrate substantial modernization has taken place.

³ Akelius Residential Property AB, 'annual report 2014' 8, available at: <https://mb.cision.com/Main/3302/9784677/386850.pdf>; see also, Akelius Residential Property AB, 'annual report 2015' 10, available at: <https://mb.cision.com/Main/3302/9942969/492558.pdf>; Akelius Residential Property AB, 'annual report 2016' 10, available at: <https://mb.cision.com/Main/3302/2241379/658875.pdf>; Akelius Residential Property AB, 'annual report 2017' 55, available at: <https://mb.cision.com/Main/3302/2484026/813082.pdf>; Akelius Residential Property AB, 'annual report 2018' 9, available at: <https://mb.cision.com/Main/3302/2798336/1033090.pdf>

with Akelius's practices. In a number of examples, Akelius has apparently unilaterally decided to renovate either public areas in apartment blocks, or individual apartments, and subsequently sought to impose higher rents on existing tenants as a result. These tenants also indicated that this work was undertaken despite the fact that in their opinion very little substantial work was required prior to Akelius taking ownership. Operating in this manner is in direct contradiction to Akelius's stated philosophy and is inconsistent with human rights in so far as it decreases affordability for tenants, seemingly without necessary cause, and without adequate opportunities being provided to them to participate in a consultative manner regarding their housing.

In Toronto, residents in the Parkdale area have long been complaining about the lack of affordability generated by Akelius's business model. Many have noted that, upon purchasing an apartment building, Akelius undertakes substantial renovations to communal areas and then applies to the Landlord and Tenant Board to increase the rents of its tenants above the rent guidelines. This has led to some tenants being served with back-to-back rent increases, sometimes up to 5 times greater than the provincial guidelines would normally allow. In 2014, it was noted that 10 per cent of all of the applications made to the Toronto Landlord and Tenant Board for above guideline rent increases were made by Akelius, with such applications being made for more than a third of its properties in Toronto. This is purported to be a far higher percentage than any other landlord and arguably demonstrates that renovations and above-guideline rent increases are a significant element of Akelius's profitability model, regardless of the necessity of such renovations and despite the negative impact that such measures have on tenants.⁴

In 2008, a Berlin apartment building called Hansa-Ufer 5, containing 66 small apartments and which was owned by the Berlin government and operated as a retirement home for the elderly, was sold to Akelius. In 2014, Akelius contacted tenants notifying them that it planned to commence construction work on the block in order to substantially modernize it. This involved renovating communal areas and outside spaces and moving a common room which is vital to the lives of the residents to a smaller laundry room. Announcing its renovation plans, Akelius informed tenants that it planned to increase their rents by 40 to 65 per cent once the works were completed. Tenants were mostly living on pensions and the proposed increases in their rents would have left them with no or very little money to live on after meeting their housing costs.

Following persistent activism on the part of the residents, Akelius eventually offered to substantially decrease the rent hike, however the residents eventually rejected this offer on the basis that it would allow Akelius to undertake the renovations and because it had not been put into legally binding terms. Whilst the persistence of the residents and public outcry eventually led Akelius to postpone the proposed renovations, evidence suggests, however, that renovations have

⁴ Benn Spurr, 'New rent monster' (31st July 2014) Now Toronto, online at: <https://nowtoronto.com/news/new-rent-monster/>

since commenced at Hansa-Ufer 5, including the modernization of individual apartments within the complex. One modernized apartment within the Hansa-Ufer 5 block has recently been advertised online for a base rent of €17.16 per square meter - around €7.40 per square meter more than the maximum that will be allowed under the proposed rent control legislation. Whilst apparently reflective of the market rate as it currently is, it has been noted that this has increased from €9 per square meter in only a few years, with it being suggested that the number of luxury apartments that have been introduced to the area is the cause of this dramatic rise.⁵

In another Berlin apartment complex, located on Anton Saefkow Straße in Prenzlauer Berg and containing around 200 individual apartments, Akelius commenced construction work in 2018 with a view to expanding the top floor of one of the blocks on the site. Tenants have been strongly complaining about the impact of Akelius's construction work, which has removing the roof of the building. As part of the plans, Akelius is installing balconies on existing tenants' apartments, with the stated aim of ensuring that existing apartments match those being added on the top floor. Tenants have been informed that over four years this will eventually cost them between €25 and €100 extra per month in rent, despite many not wanting balconies installed or consenting to their installation.⁶ Akelius has suggested that the addition of the balconies will be of benefit to both current and future tenants, and that they should therefore be accepted. Additionally, it has noted that the increases in rents that result from the addition of balconies is below the level that would be legally permissible under Berlin's rent control regulations, due to the fact that they will be introduced gradually over four years.⁷

This response fails to acknowledge that tenants have had these renovations forced on them in contradiction to Akelius's stated principles, and resultantly are having their housing costs increased without their consent, with a detrimental impact on their housing affordability. Some concessions have apparently been made to allow tenants who would suffer hardship from having to pay the additional rent for the balcony. However, it is unclear how Akelius determines hardship. Reports indicate that Akelius places the burden on the tenant to prove they will suffer hardship in order to avoid additional rent. Equally, it is highly exclusionary and discriminatory as those who cannot afford the additional rent increase still have a balcony installed on their apartment but are not allowed to use it. Low income tenants have expressed concern that they may lose their accommodation, either at

⁵ See, <http://needleberlin.com/move-5/>

⁶ Julia Schmitz, 'When craftsmen break through the ceiling' (24th January 2020) Prenzlauer Berg Nachrichten, online at: https://www.prenzlauerberg-nachrichten.de/2020/01/24/wenn-handwerker-durch-die-decke-brechen/#scroll_to_steady_paywall

⁷ Thomas Schubert, 'Dispute over expensive balconies: Prenzlauer Berger against renovation' (23rd January 2020) Berliner Morgenpost, online at: <https://www.morgenpost.de/bezirke/pankow/article228226921/Streit-um-teure-Balkone-Prenzlauer-Berger-gegen-Umbau.html>

the end of their current contract or before, so as to replace them with tenants who can afford the extra balcony charge.

Renovations on empty apartments and living conditions for existing tenants

A central tenant of Akelius's business model rests with renovating empty apartments and then subsequently re-leasing them to new tenants at substantially higher rents, which are either above rent control levels or at higher rates than were previously paid. Such a business model means that in order to maintain and increase profits, obtaining empty apartments that can subsequently be renovated is crucial. This has led to a number of complaints being levied against Akelius by tenants living in unrenovated apartments that suggest the company is seeking to indirectly force them to leave their homes so that repossession can take place.

Tenants of Akelius feel that the company is not simply waiting for them to leave at the end of their contracts, but rather is attempting to push them out of their homes without having to pursue the legal formalities of eviction. In this regard, tenants have informed us that having purchased a new apartment block, Akelius typically commences significant renovation works in empty apartments or communal spaces, or will begin large construction projects in the vicinity of the block. These activities generate high levels of noise, dirt and disruption which tenants describe as making their living conditions insufferable. At the same time, these tenants report that building superintendents are replaced by call centres, necessary repairs to their unrenovated apartments are not undertaken, and basic services, such as garbage removal, are halted, thus further degrading their living conditions. At some point, many tenants in unrenovated apartments decide they cannot bear to live in the block any longer and therefore move out, leaving their apartment free for renovation and ultimately rent escalation.

These realities being faced by tenants are deeply problematic with regards to the enjoyment of the right to adequate housing. The degradation of peoples' housing conditions directly impacts the habitability of their homes, which is a key component of adequate housing in international human rights law. Reducing habitability can have a serious detrimental impact on the well-being of tenants, with implications for other human rights such as the right to health. Furthermore, where, as a result of the actions of a landlord, housing conditions become so poor that people feel they must leave their homes for their own safety and well-being, this is reasonably understood as constructive eviction and is equally contrary to international human rights norms.

Tenants in Akelius properties in London have been subjected to such degraded housing conditions due to persistent renovation works that they have come to feel unsafe in their homes. In one Akelius-owned apartment block tenants have complained that periods of modernization on both communal areas and individual vacated apartments, taking place up to six days per week and lasting for over a year, left them living in a construction site where they were unable to peacefully

enjoy their homes. These works had been commenced without any prior notice being provided, even despite some tenants having renewed their leases shortly prior to the works being started.

Tenants have reported constant and unbearable levels of noise being generated during working hours, which particularly affected those in apartments connected to ones being modernised, considerable amounts of dust being thrown up which exacerbated pre-existing medical conditions, the smell of fumes, chemicals and sewage being present, a complete loss of central heating caused by plumbing works, which caused them to have to rely on inefficient space heaters, and a regular occurrence of leaks caused by the renovations, which led to damage to some tenants' flats.

Tenants have further informed us that contractors hired by Akelius turned off water connections to their flats on a number of occasions, including on very hot days, leaving them with no drinking water, and had also on occasion left work for the day without switching the connections back on. The conditions that tenants have been subjected to during the renovation works have had a considerable impact on their wellbeing, with tenants noting that they suffered significantly more spells of ill-health whilst the renovations were ongoing. The severity of the impact on the habitability of their homes caused by Akelius's renovation works has led tenants to feel as if they can no longer continue living there and need to find alternative accommodation.

It has come to our attention that tenants in unrenovated apartments are provided little to no information about renovation activities and little effort is made to control noise levels and maintain an acceptable standard of living conditions causing significant distress to the tenants. While those living in higher rent apartments are afforded better communication and construction days are limited in order to control noise levels. For those living in unrenovated apartments who are being subjected to these distressful living conditions, only after long periods of persistent complaining does Akelius offer any alternatives. Usually the offer is to move to a higher rent, modernized Akelius apartment.⁸ Some tenants have perceived this to be another tactic designed to take possession of their unrenovated apartments, describing feeling under duress to accept this offer since their complaints regarding their housing conditions were ignored.

In another similar situation Akelius commenced renovation work on 12 vacated units in a 42-unit apartment block it had purchased in Montréal, Canada. The work, which started in 2018, was intended to modernize the apartments concerned so they could subsequently be leased out for higher rents. Following the start of the works, tenants put forward numerous complaints regarding the conditions that the renovations were subjecting them to. This included Akelius turning off the building's plumbing system so that it could be repaired due to complaints of

⁸ Akelius offers incentives to relocate, including periods of discounted rent, two weeks free rent and Akelius covering the costs of the move.

leaks, leaving tenants throughout the building with no heating to enable them to stay warm. Whilst Akelius has claimed to have provided all tenants with electric heaters from the day in which the heating was turned off, tenants have refuted this with one reporting they had only been provided with a heater nine days after the loss of the central heating, following numerous calls and the sending of a legal letter. Even with these heaters, tenants reported that the power usage from them meant that should they operate any large electronics their apartment's fuse would blow, leading them to lose power. Residents have stated that they believe the conditions created by the renovation works were being used by Akelius as a method of forcing them from their homes so as to allow their units to be renovated and re-let at higher rates.

Use of evictions to clear apartments for renovation and re-rental

In addition to utilising indirect means to force tenants out of their homes, Akelius has, as well, sought to utilise more formal methods of removing tenants, including by serving eviction notices, freeing their apartment for renovation and re-rental at higher rates, a practice commonly referred to as 'renoviction'. The practice of 'renoviction' is in stark contrast to the protections afforded to tenants under the right to housing, particularly where this is undertaken with the aim of increasing profits. Where tenants are formally removed from their homes through 'renovictions', or have evictions threatened upon them in order to facilitate their leaving their homes, this necessarily has implications for their security of tenure, and can also impact on other aspects of the human right to housing, including affordability.

One tenant in London was notified that Akelius intended to issue a section 21 no fault eviction notice on the pretense that the flat in question was crucial to the renovation works that were being undertaken in the building. Akelius noted that, having taken possession of the flat, it intended to renovate it as well. Akelius served the eviction notice on the tenant and, afraid they would be made homeless, the tenant negotiated with the company to move into an alternative apartment in the same building for a period of discounted rent and the promise that they could move back to their original flat once the works were complete. Once the renovations were complete the tenant moved back to their original, now renovated, flat but was required to sign an extensive new contract and pay a higher rent than they had previously paid when living there, with Akelius informing them that this would again increase in 12 months' time. Whilst in this instance no actual eviction took place, it is evident that the threat of eviction was utilised, at least in part, to clear the tenant's apartment in order to allow for renovations to take place.

While I do not wish to prejudge the accuracy of the information made available to me, I wish to express my concern about the impact of Akelius's business practices and profitability model on the enjoyment of the human right to adequate housing. As a major supplier of housing, Akelius has a key role in the delivery of the human right to housing.

However, in order to increase its profits, Akelius is undermining the affordability of housing for many existing tenants by imposing on them increased rents, often going beyond the levels set by rent control measures, for works done on their housing which they often did not want, request or consent to. Equally, Akelius is detrimentally impacting on the habitability of people's homes by undertaking unnecessary renovations on apartment blocks and individual apartments which cause considerable disruption, threaten people's health, and lead to feelings of anxiety, stress and housing insecurity. Furthermore, Akelius is impacting on peoples' security of tenure by serving on them eviction notices in order to remove them from their properties so that these can be renovated. All of these actions and outcomes are in direct contradiction to the human right to housing.

Whilst housing providers are not precluded from undertaking renovations on properties, where these are done without good cause and/or with the sole purpose of increasing rents and profit to the detriment of the housing conditions of existing tenants, this is contrary to the protections under international human rights law.

The threat of eviction creates fear, anxiety and housing insecurity, inconsistent with requirements of the right to housing. Evictions which result in homelessness are a violation of the right to housing under international human rights law. Furthermore, access to affordable housing – with affordability defined by level of household income, not what the market can bear – is a cornerstone obligation of the right to adequate housing under international human rights law. International human rights law also imposes a positive obligation to ensure access to affordable housing for the most vulnerable populations. Furthermore, housing policies that may be neutral on their face, must not have a discriminatory effect. The Special Rapporteur has written extensively on these issues and would be happy to furnish you with relevant materials.

Business entities also have direct human rights responsibilities to respect and facilitate human rights, including the right to housing. This means Akelius should refrain from taking any actions that will cause harm to tenants as well as taking positive steps to ensure the realization of the right to housing.

It is recognised that Akelius's profits are eventually utilised in order to fund foundations with charitable purposes, which provide assistance to various projects. Whilst recognising the positive outcomes this will inevitably have brought to a number of important causes, it is wholly insufficient to breach human rights in order to generate profits, even if these will eventually benefit charitable causes. It is a fundamental tenant of international human rights law that all human rights are interrelated, interdependent, inalienable and indivisible. Accordingly, breaching the right to housing in order to further other rights through charitable giving is not an acceptable framework under which to operate, and therefore the fact that charitable purposes may be benefited in this regard does not mitigate the apparent breaches of the human right to housing that have been generated from Akelius's business practices.

As a housing provider, it is vital that Akelius gives due regard to the content and operation of human rights law as it relates to housing provision, in order to ensure that all

people living within its properties are able to enjoy housing which meets human rights standards. It has, however, unfortunately come to our attention that Akelius is failing to comply with international human rights standards when it comes to the provision of housing and is therefore subjecting tenants to outcomes which breach their human rights.

Akelius is but one of a number of large private businesses operating in the housing sectors of various countries. However, because Akelius has a substantial portfolio of residential apartments in a number of cities, and is regarded as a leader in the residential real estate sector, we believe that your engagement in this discussion could help to change the global narrative. It would also assist identifying suitable business strategies and policies to reduce adverse human rights impacts of real estate investments.

In connection with the above alleged facts and concerns, please refer to the **Annex on Reference to international human rights law** attached to this letter which cites international human rights instruments and standards relevant to these allegations.

As it is my responsibility, under the mandate provided to me by the Human Rights Council, to seek to clarify all cases brought to my attention, I would be grateful for your observations on the following matters:

1. Please provide any additional information and/or comment(s) you may have on the above-mentioned allegations.
2. Please provide information about the human rights due diligence policies and processes put in place by Akelius to identify, prevent, mitigate and remedy adverse human rights impacts of your activities, in line with the UN Guiding Principles on Business and Human Rights.
3. Please describe how Akelius is collaborating with the Governments of Canada, Germany and the United Kingdom to redress any adverse human rights impact of its operations.
4. Please provide information on steps taken by Akelius to establish grievance mechanisms to address adverse human rights impacts caused by its operations.

This communication and any response received from your company will be made public via the communications reporting [website](#) within 60 days. They will also subsequently be made available in the usual report to be presented to the Human Rights Council.

While awaiting a reply, I urge that all necessary interim measures be taken to halt the alleged violations and prevent their re-occurrence and in the event that the investigations support or suggest the allegations to be correct, to ensure the accountability of any person(s) responsible for the alleged violations.

I intend to publicly express my concerns about the human rights impact of Akelius' business practices in the near future as, in our view, the information upon which the press release will be based is sufficiently reliable to indicate a matter warranting immediate attention. I also believe that the wider public should be alerted to the potential implications of the above-mentioned allegations. The press release will indicate that I have been in contact with your company to clarify the issues in question.

Please note that a letter with a similar content has been sent to the Governments of Canada, Germany and the United Kingdom.

Please accept, Mr. Ahlsén, the assurances of my highest consideration.

Leilani Farha

Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

Annex
Reference to international human rights law

In connection with above alleged facts and concerns, I wish to draw your attention to the relevant international norms and standards that are applicable to the issues brought forth by the situation described above.

Article 11 of the International Covenant on Economic, Social and Cultural Rights, protects everyone's right to adequate housing. According to General Comment No. 4 of the Committee on Economic, Social and Cultural Rights, in order for housing to be considered "adequate" it must meet several criteria, known as the 'normative content' of the right. These criteria are: legal security of tenure, meaning that people should "possess a degree of security of tenure which guarantees legal protection against forced eviction, harassment and other threats" (para. 8(a)); availability of services, materials, facilities and infrastructure, meaning that people should have "sustainable access to natural and common resources, safe drinking water, energy for cooking, heating and lighting, sanitation and washing facilities, means of food storage, refuse disposal, site drainage and emergency services" (para. 8(b)); affordability, meaning that "personal or household financial costs associated with housing should be at such a level that the attainment and satisfaction of other basic needs are not threatened or compromised" and "tenants should be protected by appropriate means against unreasonable rent levels or rent increases" (para. 8(c)); habitability, in so far as housing must be capable of providing inhabitants with "adequate space and protecting them from cold, damp, heat, rain, wind or other threats to health, structural hazards, and disease vectors" whilst guaranteeing their personal safety (para. 8(d)); accessibility, meaning that "adequate housing must be accessible to those entitled to it" with disadvantaged groups given full and sustainable access as well (para. 8(e)); location, meaning that housing must allow "access to employment options, health-care services, schools, childcare centres and other social facilities (para. 8(f)); and cultural adequacy, which means that "the way housing is constructed, the building materials used and the policies supporting these must appropriately enable the expression of cultural identity and diversity of housing." (para. 8(g)). The information provided has evidenced that operations of Akelius are significantly contrary to many of these vital criteria of housing adequacy, thus impacting on the enjoyment of the human right to adequate housing of tenants.

I further draw your attention to General Comment No. 7 on forced evictions and General Comment No. 24 on State obligations for business activities. Business entities also have direct human rights responsibilities to respect and fulfil human rights, including the right to housing. This means that Akelius should refrain from taking any actions that will cause harm to tenants as well as taking positive steps to ensure the realization of the right to housing. Business entities also have direct human rights responsibilities to respect and facilitate human rights, including the right to housing.

I would also like to draw your attention to the United Nations Guiding Principles on Business and Human Rights, which were unanimously endorsed by the Human Rights Council in its resolution (A/HRC/RES/17/31), after years of consultations involving

governments, civil society and the business community. The Guiding Principles have been established as the global authoritative statement of norms for all States and companies to prevent, mitigate and address the negative business-related impacts on human rights. The responsibility to respect human rights is a global standard of conduct applicable to all companies, wherever they operate. It exists regardless of the ability and / or willingness of States to meet their own human rights obligations and does not reduce those obligations. It is an additional responsibility to comply with national laws and regulations for the protection of human rights. " In fulfilling their responsibility to respect human rights, the Guiding Principles note that business entities should act in such a way as to: "(a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; [and] (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts." (Guiding Principle 13). This requires businesses to have in place: "(a) A policy commitment to meet their responsibility to respect human rights; (b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights; (c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute." (Guiding Principles 15)

As a requirement of undertaking human rights due diligence in the course of their business operations, the UN Guiding Principles require business enterprises to engage in meaningful consultation with affected groups and other relevant stakeholders (Principle 17) and to conduct human rights impact assessments (Principle 19).

I further wish to draw your attention to the Basic Principles and Guidelines on Development-based Evictions and Displacement (A/HRC/4/18, Annex), which provides that where development of housing areas takes place, and prior to eviction notices being issued, "[a]ll potentially affected groups and persons, including women, indigenous peoples and persons with disabilities, as well as others working on behalf of the affected, have the right to relevant information, full consultation and participation throughout the entire process, and to propose alternatives that authorities should duly consider." (para. 38) Equally, the Basic Principles hold that where evictions must take place as a result of development, the Government, or other parties responsible for that eviction, must provide "just compensation and sufficient alternative accommodation, or restitution when feasible...." (para. 52). Furthermore, they note that evictions should never render anyone homeless, or leave them exposed to other violations of their human rights. When evictions do take place due to development, States should utilise the maximum of their available resources to ensure that other adequate housing is made available to those evicted. This "should be situated as close as possible to the original place of residence and source of livelihood of those evicted." (para. 43) The Basic Principles and Guidelines also underline that transnational corporations and other business enterprises must respect the human right to adequate housing, including the prohibition on forced evictions, within their respective spheres of activity and influence (para. 73)

I further call your attention the recent report of the Special Rapporteur on the right to adequate housing on the financialization of housing and the right to adequate housing (A/HRC/34/51) which contains several recommendations to address increased unaffordability and displacements of residents caused by investments into residential real estate.

Mandate of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

REFERENCE:
AL CAN 1/2020

27 April 2020

Excellency,

I have the honour to address you in my capacity as Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, pursuant to Human Rights Council resolution 34/9.

In this connection, I would like to bring to the attention of your Excellency's Government information I have received concerning the impact of **Akelius Canada's business model on the right to housing of tenants in Akelius' apartment blocks in Toronto and Montréal, which illustrates the negative impact of financialization of housing in Canada.**

According to the information received:

Akelius Canada is a subsidiary of the Swedish multi-national corporation Akelius, which owns apartments in both Toronto and Montréal and rents these out in order to generate profits, which are eventually passed through to three Bahamian registered foundations. Akelius Canada is generating vast sums of money from its property holdings and has increased the number of properties it owns in Canada from 2,823 at the end of 2014, to 7,366 at the end of 2019.¹ Over this period, it has seen yearly increases in both the rental incomes generated from its business activities, and the average residential rents that its tenants pay.²

Akelius Canada's business model is highly dependent on a process of acquisition, renovation and re-rental. The company purchases apartment blocks in Toronto and Montréal and subsequently commences renovations on empty flats and communal areas, despite no substantial work generally being regarded as required by tenants. Having completed these renovations, Akelius Canada then either informs existing tenants it intends to raise their rents, or finds new tenants for the newly renovated apartments, charging them higher rents as a result of the modernisation works, often using modernisation work as a mechanism for increasing rents above pre-determined regulatory rent caps. This model is evidently designed primarily to increase the profits of Akelius Canada, and is seen in most, if not all, of the cities which Akelius operates in around the world.

¹ Akelius, year to end-2019 report, 27 online at: <https://mb.cision.com/Main/3302/3025691/1186841.pdf>; Akelius, Annual Report 2018, 97, online at: <https://mb.cision.com/Main/3302/2798336/1033090.pdf>

² Akelius, year to end-2019 report, 27 online at: <https://mb.cision.com/Main/3302/3025691/1186841.pdf>; Akelius, Annual Report 2018, 97, online at: <https://mb.cision.com/Main/3302/2798336/1033090.pdf>

However, such activities have come at a significant cost to tenants' enjoyment of their human rights, with a number of highly publicised examples of Akelius Canada putting profit before tenant's right to housing being evident.

In Toronto, Ontario, residents in the Parkdale area of the city have, for a number of years, been complaining about the lack of affordability generated by Akelius Canada's management of their buildings, wherein the company, having purchased apartments, will seek to drive up rents in order to increase profits, utilising loopholes within the provincial rent cap to do so. In particular, residents have stated that, having purchased their apartment building, Akelius Canada will commence substantial renovations to communal areas and then apply to the Landlord and Tenant Board to increase the rents of its tenants above the Ontario rent cap, which allows landlords to increase rents above the cap where they can show they have spent significant sums on modernisation works. This has led to some tenants being served with back-to-back rent increases,³ sometimes up to 5 times greater than the provincial guidelines would normally allow.⁴ In 2014, it was noted that 10 per cent of all of the applications made to the Toronto Landlord and Tenant Board for above guideline rent increases came from Akelius Canada, with such applications being made for more than a third of its properties in Toronto.⁵ This is purported to be a far higher percentage than any other landlord locally. Little evidence is present which highlights that Akelius Canada has reflected on, or sought to mitigate, the impact that this might have on affordability for tenants, many of whom have suggested that they feel they are being pushed out of the area by the higher rents. It should be noted that many tenants will self-evict due to the unaffordability of their unit prior to being issued with a formal eviction notice, for fear of having their rental history tarnished.

Other tenants have highlighted the impact that Akelius Canada's profitmaking model has had on the habitability of their homes. Numerous accounts from tenants and tenant groups have noted that, once they purchase apartment buildings, Akelius Canada will remove building superintendents, replacing them with a phone line, halt or reduce maintenance on individual apartments, and limit basic services such as garbage removal. At the same time, the substantial renovation works which the company inevitably commences causes significant disruption to tenants lives and living conditions, leading many to feel they can no longer remain in their homes. In Montréal, Québec, for example, Akelius Canada commenced renovation work on 12 vacated units in a 42-unit apartment block. The work, which started in 2018, was intended to modernize the apartments concerned so as to enable them to be re-leased for higher rents, and thus generate greater profits for Akelius Canada. However, the works that were undertaken have caused significant problems for the tenants who live in the block, diminishing the

³ 'Parkdale residents protest back-to-back rent increases by Akelius' (23rd March 2015) CBC, online at: <https://www.cbc.ca/news/canada/toronto/parkdale-residents-protest-back-to-back-rent-increases-by-akelius-1.3005265>

⁴ Ben Spurr, 'New rent monster' (31st July 2014) Now Toronto, online at: <https://nowtoronto.com/news/new-rent-monster/>

⁵ *ibid*

habitability of their homes to such an extent that many have felt compelled to leave. Tenants have put forward numerous complaints, including that Akelius Canada turned off the building's plumbing system so that it could be repaired due to complaints of leaks, leaving residents with no heating to enable them to stay warm. Whilst Akelius Canada has claimed to have provided all tenants with electric heaters from the day in which the heating was turned off, tenants have refuted this, with one reporting that a heater had only been given to them nine days after the loss of the central heating, following numerous calls and the sending of a legal letter. Even with these heaters, tenants reported that the power usage from them meant that should they operate any large electronics at the same time that they had the heater running, their apartment's fuse would blow, leading them to lose power.

Residents have stated that they believe the conditions created by the renovation works were being used by Akelius Canada as a method of forcing them from their homes so as to allow their units to be renovated and re-let at higher rates so as to maximise the profitability of its investment.

Examples similar to the allegations above highlight the deeply detrimental impact of the financialization of housing, which leads to decision-making and housing provision which is devoid of consideration for the human right to housing, of which affordability based on household income is a key aspect, focusing instead on profit-making.

The lack of sufficient safeguards to prevent institutional investors from utilising peoples' homes to generate vast amounts of wealth has caused a detriment impact on vital facets of the right to adequate housing, including habitability and affordability. Investment in housing in Canada has disconnected housing from its core social purpose of providing people with a place to live in security and dignity.

While I do not wish to prejudge the accuracy of the information made available to me, I wish to express my concern for the effects of the financialization of housing in Canada, which has been facilitated, in part, by your Government's inaction and in particular by the ineffective legal and regulatory framework present within Canada which allows housing to be turned into a mere investment and vehicle for profitmaking. This is despite adequate housing being recognised in international law as a human right. I invite you to consider the concerns outlined in this letter, with a view to developing a human rights-based response to them.

The financialization of residential real estate undermines the enjoyment of the rights to non-discrimination, equality and housing. The business model associated with financialization demands short-term profits, meaning there is heightened pressure placed on purchasing affordable housing, or housing that is itself regarded as "undervalued" or in 'undervalued' areas, often those with rent guidelines or controls in place. This is often where the most vulnerable communities are located. The financialized housing model

necessitates securing the highest possible return on investment through the persistent extraction of profits through monthly rents, which results in the constant escalation of housing costs for tenants and a degradation in living conditions generated by renovations, which have been commenced for the primary purpose of pursuing profit. Turning housing into an investment thus leads to decision-making that is investor-driven rather than tenant centred. When the focus is on maximizing profits, housing becomes less affordable, less available, less secure, and less habitable. It can result in increased evictions or constructive displacement.

I use this opportunity to encourage Canada to recognize the impact of the financialization of housing on the enjoyment of the right to adequate housing and to take concerted legislative steps towards regulating Akelius and other actors and returning housing to its core function as a social good. Failure to do so can only be regarded as a retrogressive step, and accordingly puts the State at odds with its obligations under international human rights law.

In connection with the above alleged facts and concerns, please refer to the **Annex on Reference to international human rights law** attached to this letter which cites international human rights instruments and standards relevant to these allegations.

As it is my responsibility, under the mandate provided to me by the Human Rights Council, to seek to clarify all cases brought to my attention, I would be grateful for your observations on the following matters:

1. Please provide any additional information and any comment you may have on the above-mentioned allegations.
2. Please provide detailed information on any legislative measure, including with respect to tax laws, or laws governing companies that operate through tax havens or any other measure taken by the Government to prevent the negative human rights impact of the financialization of housing.
3. Please provide detailed information on any investigation undertaken on the business practices of Akelius Canada and their impact on the human right to housing of residents in buildings owned by the company.

This communication and any response received from your Excellency's Government will be made public via the communications reporting [website](#) within 60 days. They will also subsequently be made available in the usual report to be presented to the Human Rights Council.

While awaiting a reply, I urge that all necessary interim measures be taken to halt the alleged violations and prevent their re-occurrence and in the event that the investigations support or suggest the allegations to be correct, to ensure the accountability of any person(s) responsible for the alleged violations.

I intend to publicly express my concerns about the human rights impact of Akelius' business practices in the near future as, in my view, the information upon which the press release will be based is sufficiently reliable to indicate a matter warranting immediate attention. I also believe that the wider public should be alerted to the potential implications of the above-mentioned allegations. The press release will indicate that I have been in contact with your Excellency's Government's to clarify the issues in question.

Please note that a letter with a similar content has been sent to other countries concerned, and to Akelius Canada's parent company, Akelius Residential, highlighting its human rights obligations as a private actor to avoid any harm and to take positive steps to realize the right to housing.

Please accept, Excellency, the assurances of my highest consideration.

Leilani Farha

Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

Annex
Reference to international human rights law

In connection with above alleged facts and concerns, I would like to remind your Excellency's Government of its obligations under various international human rights instruments, in particular the International Covenant on Economic, Social and Cultural Rights to which Canada has been a party since 19 May 1976, and more specifically article 11.1 which states that "[t]he States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions."

In addition, I would like to bring to your Government attention the UN Guiding Principles on Business and Human Rights, which remind States that they must protect against human rights abuse by business enterprises within their territory and/or jurisdiction. As part of their duty to protect against business-related human rights abuse, States are required to take appropriate steps to "prevent, investigate, punish and redress such abuse through effective policies, legislation, regulations and adjudication" (Guiding Principle 1). In addition, States should "enforce laws that are aimed at, or have the effect of, requiring business enterprises to respect human rights..." (Guiding Principle 3). In addition, according to the Guiding Principles, business entities also have an independent responsibility to respect human rights, including the right to adequate housing.

According to international human rights law, your Excellency's Government is required to take progressive measures, to the maximum of available resources, to ensure access to adequate housing for all without discrimination. To address the issue of financialization and its impact on the enjoyment of the right to housing, your Government must develop policies and laws that include a full range of taxation, regulatory and planning measures in order to re-establish housing as a human right, promote an inclusive housing system, prevent speculation and limit the extraction of profits at the expense of tenants. It is necessary, as well, to ensure that loopholes within rent control regulations do not incentivise institutional property investors commodifying housing by allowing above-guideline rent increases where they undertake, even when unnecessary, substantial renovations to properties. Achieving this will require a transformation of the relationship between your Government and the financial and private sectors, whereby human rights implementation becomes the overriding goal in all activities and processes. In this regard, we would draw to your attention to the Special Rapporteur's report on the financialization of housing (A/HRC/34/51).

Mandate of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

REFERENCE:
AL DEU 1/2020

27 April 2020

Excellency,

I have the honour to address you in my capacity as Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, pursuant to Human Rights Council resolution 34/9.

In this connection, I would like to bring to the attention of your Excellency's Government information I have received concerning the impact of **Akelius Germany's business model on the right to housing of tenants in Akelius' apartment blocks in Berlin and Hamburg, which illustrates the negative impact of financialization of housing in Germany.**

According to the information received:

Akelius Germany is a subsidiary of the Swedish multi-national corporation Akelius, which owns apartments in both Berlin and Hamburg and rents these out in order to generate profits, which are eventually passed through to three Bahamian registered foundations. Akelius Germany is generating vast sums of money from its property holdings and as of December 2019 owns 18,106 apartments in Germany.¹ Between 2014 and 2019, it has seen yearly growth in both the rental incomes generated from its business activities, and the average residential rents that its tenants pay.²

Akelius Germany's business model is highly dependent on a process of acquisition, renovation and re-rental. In this regard, Akelius Germany purchases blocks of flats in London and subsequently commences renovations on empty flats and communal areas, despite no substantial work being regarded as required by tenants. Having completed these renovations, Akelius Germany then finds new tenants for the newly renovated flats, charging them higher rents as a result of the modernisation works. This model is putatively designed primarily to increase the profits of Akelius Germany, and is seen in most, if not all, of the cities which Akelius operates in around the world.

¹ Akelius, year to end-2019 report, 26 online at: <https://mb.cision.com/Main/3302/3025691/1186841.pdf>; Akelius, Annual Report 2018, 97, online at: <https://mb.cision.com/Main/3302/2798336/1033090.pdf>

² Akelius, year to end-2019 report, 26 online at: <https://mb.cision.com/Main/3302/3025691/1186841.pdf>; Akelius, Annual Report 2018, 97, online at: <https://mb.cision.com/Main/3302/2798336/1033090.pdf>

However, this profit-making model comes at a significant cost to tenants' enjoyment of their human rights, with a number of highly publicised examples of Akelius Germany's tenants suffering highly detrimental impacts on their enjoyment of their human right to housing as a result.

Akelius's activities having a highly detrimental impact on the affordability and habitability of the homes it owns, with many tenants being subjected to long periods of disruptive construction works and some informed that they will be required to pay higher rents as a result of building improvements that they never requested, wanted, deemed necessary, and, in some cases, were even sufficiently consulted about.

In 2008, for example, Akelius Germany purchased a Berlin apartment building called Hansa-Ufer 5, containing 66 small apartments, which was owned by the Berlin government and operated as a retirement home for the elderly. In 2014, Akelius Germany contacted tenants notifying them that it planned to commence construction work on the block in order to substantially modernize it. This involved renovating communal areas and outside spaces and moving a common room which is vital to the lives of the residents to a smaller laundry room. Announcing its renovation plans, Akelius Germany informed tenants that it planned to charge them 40 to 65 per cent more rent once the works were completed. Tenants were mostly living on pensions and the proposed increases in their rents would have left them with no or very little money to live on after meeting their housing costs. Following persistent activism on the part of the residents, Akelius Germany eventually offered to substantially decrease the rent hike, however the residents eventually rejected this offer on the basis that it would allow Akelius Germany to undertake the renovations and because it had not been put into legally binding terms. Whilst the persistence of the residents and public outcry eventually led Akelius Germany to postpone the proposed renovations, evidence suggests, however, that renovations have since commenced at Hansa-Ufer 5, including the modernization of individual apartments within the complex. One modernized apartment within the Hansa-Ufer 5 block has recently been advertised online for a base rent of €17.16 per square meter. Whilst apparently reflective of the market rate as it currently is, it has been noted that this has increased from €9 per square meter in only a few years, with it being suggested that the number of luxury apartments that have been introduced to the area is the cause of this dramatic rise.³

Similarly, in another Berlin apartment complex, located on Anton Saefkow Straße in Prenzlauer Berg and containing around 200 individual apartments, Akelius Germany commenced construction work in 2018 with a view to expanding the top floor of one of the blocks on the site. Tenants have been strongly complaining about the impact of Akelius Germany's construction work, which has included removing the roof of the building, and which has lasted for over a year. As part of the plans, Akelius Germany is installing balconies on existing tenants'

³ See, <http://needleberlin.com/move-5/>

apartments, with the stated aim of ensuring that existing apartments match those being added on the top floor. Tenants have been informed that over four years this will eventually cost them between €25 and €100 extra per month in rent, despite many not wanting balconies installed or consenting to their installation.⁴ Akelius Germany has suggested that the addition of the balconies will be of benefit to both current and future tenants, and that they should therefore be accepted. Additionally, it has noted that the increases in rents that result from the addition of balconies is below the level that would be legally permissible under Berlin's rent control regulations, due to the fact that they will be introduced gradually over four years.⁵ However, this fails to acknowledge that tenants have had these renovations forced on them without sufficient consultation, and resultantly are having their housing costs increased without their consent, with a detrimental impact on their housing affordability. Whilst some concessions have apparently been made to allow tenants who would suffer hardship from having to pay the additional rent for the balcony to declare as such and consequently not have to pay extra. However, it is unclear what Akelius deems to constitute hardship for the purpose of removing liability for the additional rent payment and it apparently places the burden on the tenant to prove they will suffer hardship in order to avoid additional rent. Equally, it is highly exclusionary and discriminatory as those who cannot afford the additional rent increase still have a balcony installed on their apartment but are not allowed to use it.

In addition to the decrease in affordability caused by Akelius Germany's renovation works, tenants living in the Anton Saefkow Straße blocks have further complained about the horrendous living conditions that the works have exposed them to, which have led some to feel that their homes are uninhabitable. Residents have complained they are living on a noisy, dirty and unsafe construction site, and that the works have caused damage to their homes and putatively led to other issues such as mould. This decrease in habitability has resulted entirely from Akelius Germany's drive to increase the profit-making potential of the blocks, without due regard being paid to the tenants who live there.

Examples similar to the allegations above highlight the deeply detrimental impact of the financialization of housing, which leads to decision-making and housing provision which is devoid of consideration for the human right to housing, of which affordability based on household income is a key aspect, focusing instead on profit-making.

⁴ Julia Schmitz, 'When craftsmen break through the ceiling' (24th January 2020) Prenzlauer Berg Nachrichten, online at: https://www.prenzlauerberg-nachrichten.de/2020/01/24/wenn-handwerker-durch-die-decke-brechen/#scroll_to_steady_paywall

⁵ Thomas Schubert, 'Dispute over expensive balconies: Prenzlauer Berger against renovation' (23rd January 2020) Berliner Morgenpost, online at: <https://www.morgenpost.de/bezirke/pankow/article228226921/Streit-um-teure-Balkone-Prenzlauer-Berger-gegen-Umbau.html>

The lack of sufficient safeguards to prevent institutional investors from utilising peoples' homes to generate vast amounts of wealth has caused a detriment impact on vital facets of the right to adequate housing, including habitability and affordability. Investment in housing in Germany has disconnected housing from its core social purpose of providing people with a place to live in security and dignity.

The Government of Berlin has recently introduced important new rent-control measures that are aimed at significantly enhancing the protections afforded to tenants in the city. As they are understood, under the new rent-cap legislation, rents for the majority of apartments will be frozen for five years with a cap on monthly rents at €9.80 per square meter. Additionally, landlords will be prohibited from charging new tenants more than the previous tenant paid and from 2022, landlords will only be able to increase the rent in line with inflation.

While I do not wish to prejudge the accuracy of the information made available to me, I wish to express my concern for the effects of the financialization of housing in the Germany, which has been facilitated, in part, by your Government's inaction and in particular by the ineffective legal and regulatory framework which allows housing to be turned into a mere investment and vehicle for profitmaking. This is despite adequate housing being recognised in international law as a human right. I invite you to consider the concerns outlined in this letter, with a view to developing a human rights-based response to them.

The financialization of residential real estate undermines the enjoyment of the rights to non-discrimination, equality and housing. The business model associated with financialization demands short-term profits, meaning there is heightened pressure placed on purchasing affordable housing, or housing that is itself regarded as "undervalued" or in 'undervalued' areas, often those with rent guidelines or controls in place. This is often where the most vulnerable communities are located. The financialized housing model necessitates securing the highest possible return on investment through the persistent extraction of profits through monthly rents, which results in the constant escalation of housing costs for tenants and a degradation in living conditions generated by renovations, which have been commenced for the primary purpose of pursuing profit. Turning housing into an investment thus leads to decision-making that is investor-driven rather than tenant centred. When the focus is on maximizing profits, housing becomes less affordable, less available, less secure, and less habitable. It can result in increased evictions or constructive displacement.

I use this opportunity to encourage Germany to recognize the impact of the financialization of housing on the enjoyment of the right to adequate housing and to take concerted legislative steps towards regulating Akelius and other actors and returning housing to its core function as a social good. Failure to do so can only be regarded as a retrogressive step, and accordingly puts the State at odds with its obligations under international human rights law.

I would like to acknowledge that recently introduced rent-control measures in Berlin, aimed at significantly enhancing the protections afforded to tenants in the city, represent a significant step forward in the protection of affordability for tenants and in capping rents they may also assist in ensuring habitability by curtailing the profitability of unnecessary renovation work, thus making it less likely that such modernisations will be undertaken. The necessity for the introduction of legislation such as this is made clear at article 2.1 of the International Covenant on Economic, Social and Cultural Rights wherein notes that States Parties have a responsibility to realize Covenant rights using ‘all appropriate means, including particularly the adoption of legislative measures.’

In connection with the above alleged facts and concerns, please refer to the **Annex on Reference to international human rights law** attached to this letter which cites international human rights instruments and standards relevant to these allegations.

As it is my responsibility, under the mandate provided to me by the Human Rights Council, to seek to clarify all cases brought to my attention, I would be grateful for your observations on the following matters:

1. Please provide any additional information and any comment you may have on the above-mentioned allegations.
2. Please provide detailed information on any legislative measure, including with respect to tax laws, or laws governing companies that operate through tax havens or any other measures taken by the Government to prevent the negative human rights impact of the financialization of housing.
3. Please provide detailed information on any investigation undertaken on the business practices of Akelius Germany and their impact on the human right to housing of residents in buildings owned by the company.

This communication and any response received from your Excellency’s Government will be made public via the communications reporting [website](#) within 60 days. They will also subsequently be made available in the usual report to be presented to the Human Rights Council.

While awaiting a reply, I urge that all necessary interim measures be taken to halt the alleged violations and prevent their re-occurrence and in the event that the investigations support or suggest the allegations to be correct, to ensure the accountability of any person(s) responsible for the alleged violations.

I intend to publicly express my concerns about the human rights impact of Akelius’ business practices in the near future as, in our view, the information upon which the press release will be based is sufficiently reliable to indicate a matter warranting immediate attention. I also believe that the wider public should be alerted to the potential implications of the above-mentioned allegations. The press release will indicate that I

have been in contact with your Excellency's Government's to clarify the issues in question.

Please note that a letter with a similar content has been sent to other countries concerned, and to Akelius Germany's parent company, Akelius Residential, highlighting its human rights obligations as a private actor to avoid any harm and to take positive steps to realize the right to housing.

Please accept, Excellency, the assurances of my highest consideration.

Leilani Farha

Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

Annex
Reference to international human rights law

In connection with above alleged facts and concerns, I would like to remind your Excellency's Government of its obligations under various international human rights instruments, in particular the International Covenant on Economic, Social and Cultural Rights ratified by Germany on 17 September 1973, and more specifically article 11.1 which states that "[t]he States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions."

In addition, I would like to bring to your Government attention the UN Guiding Principles on Business and Human Rights, which remind States that they must protect against human rights abuse by business enterprises within their territory and/or jurisdiction. As part of their duty to protect against business-related human rights abuse, States are required to take appropriate steps to "prevent, investigate, punish and redress such abuse through effective policies, legislation, regulations and adjudication" (Guiding Principle 1). In addition, States should "enforce laws that are aimed at, or have the effect of, requiring business enterprises to respect human rights..." (Guiding Principle 3). In addition, according to the Guiding Principles, business entities also have an independent responsibility to respect human rights, including the right to adequate housing.

According to international human rights law, your Excellency's Government is required to take progressive measures, to the maximum of available resources, to ensure access to adequate housing for all without discrimination. To address the issue of financialization and its impact on the enjoyment of the right to housing, your Government must develop policies and laws that include a full range of taxation, regulatory and planning measures in order to re-establish housing as a human right, promote an inclusive housing system, prevent speculation and limit the extraction of profits at the expense of tenants. It is necessary, as well, to ensure that loopholes within rent control regulations do not incentivise institutional property investors commodifying housing by allowing above-guideline rent increases where they undertake, even when unnecessary, substantial renovations to properties. Achieving this will require a transformation of the relationship between your Government and the financial and private sectors, whereby human rights implementation becomes the overriding goal in all activities and processes. In this regard, we would draw to your attention to the Special Rapporteur's report on the financialization of housing (A/HRC/34/51).

Mandate of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

REFERENCE:
AL GBR 1/2020

27 April 2020

Excellency,

I have the honour to address you in my capacities as Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, pursuant to Human Rights Council resolution 34/9.

In this connection, I would like to bring to the attention of your Excellency's Government information I have received concerning the impact of **Akelius England's business model on the right to housing of tenants in Akelius' apartment blocks in London, which illustrates the negative impact of financialization of housing in the United Kingdom.**

According to the information received:

Akelius England is a subsidiary of the Swedish multi-national corporation Akelius, which owns apartments in London and rents these out in order to generate profits, which are eventually passed through to three Bahamian registered foundations. Akelius England is generating vast sums of money from its property holdings and has increased the number of properties it owns in London from 1,153 at the end of 2014, to 2,242 at the end of 2019.¹ The total value of the apartments owned by Akelius England stood at €951 million at the end of 2019. Over this period, Akelius England has seen yearly increases in both the rental incomes generated from its business activities, and the average residential rents that its tenants pay.²

Akelius England's business model is highly dependent on a process of acquisition, renovation and re-rental. In this regard, Akelius England purchases blocks of flats in London and subsequently commences renovations on empty flats and communal areas, despite no substantial work being regarded as required by tenants. Having completed these renovations, Akelius England then finds new tenants for the newly renovated flats, charging them higher rents as a result of the modernisation works. This model is putatively designed primarily to increase the profits of Akelius England, and is seen in most, if not all, of the cities which Akelius operates in around the world.

¹ Akelius, year to end-2019 report, 28 online at: <https://mb.cision.com/Main/3302/3025691/1186841.pdf>; Akelius, Annual Report 2018, 98, online at: <https://mb.cision.com/Main/3302/2798336/1033090.pdf>

² Akelius, year to end-2019 report, 28 online at: <https://mb.cision.com/Main/3302/3025691/1186841.pdf>; Akelius, Annual Report 2018, 98, online at: <https://mb.cision.com/Main/3302/2798336/1033090.pdf>

However, this profit-making model comes at a significant cost to tenants' enjoyment of their human rights, with a number of highly publicised examples of Akelius England's tenants suffering highly detrimental impacts on their enjoyment of their human right to housing as a result.

Renovations that are undertaken by Akelius England are having a highly detrimental impact on the habitability of their homes, which is a crucial facet of the human right to adequate housing. These renovations have subjected tenants to such degraded housing conditions that they have felt unsafe in their homes. In one Akelius England-owned apartment block tenants have complained that periods of modernization on both communal areas and individual vacated apartments, taking place up to six days per week and lasting for over a year, left them living in a construction site where they were unable to peacefully enjoy their homes. These works had been commenced without any prior notice being provided, even despite some tenants having renewed their leases shortly prior to the works being started. Tenants have reported constant and unbearable levels of noise being generated during working hours, which particularly affected those in connecting apartments to ones being modernised, considerable amounts of dust being thrown up which exacerbated pre-existing medical conditions, the smell of fumes, chemicals and sewage being present, a complete loss of central heating caused by plumbing works, which caused them to have to rely on inefficient space heaters, and a regular occurrence of leaks caused by the renovations, which led to damage to some tenants' flats. Contractors hired by Akelius England turned off water connections to their flats on a number of occasions, including on very hot days, leaving them with no drinking water, and had also on occasions left work for the day without switching the connections back on. The conditions that tenants have been subjected to during the renovation works have had a considerable impact on their wellbeing, with tenants noting that they suffered significantly more spells of ill-health whilst the renovations were ongoing. The severity of the impact on the habitability of their homes caused by Akelius England's renovation works has led tenants to feel as if they can no longer continue living in there and need to find alternative accommodation.

Tenants in unrenovated apartments have also described feeling as if they are being specifically targeted by Akelius England so as to get them to leave their homes, so that their flats are then empty and can be renovated and re-leased for higher rents. Some have noted that when only tenants in unrenovated apartments live in blocks little to no communication is afforded to them about works, with information that is provided often vague and limited, and few efforts are made to keep noise levels to a minimum. However, once tenants begin moving into higher-rent renovated apartments, communication suddenly substantially improves, the number of days per week on which work takes place is lowered, workdays are shortened to correspond to the times tenants are likely to be at work themselves, and noise levels are reduced. For those living in unrenovated apartments who are being subjected to these deplorable living conditions, only after long periods of

persistent complaining does Akelius England offer any concessions, however this often includes offering to move them to other higher rent modernised Akelius England apartments, either in the same or other buildings locally, with various incentives being offered to them if they do so.³ Some tenants have perceived this to be another tactic designed to take possession of their unrenovated apartment so as to be able to modernise it and re-lease it for a higher rent, as where other tenants have left their apartments due to the constant noise and disruption, taking Akelius England up on the offer of a renovated apartment elsewhere, Akelius England has subsequently undertaken renovations on their vacated flats and remarketed them at higher rents. Tenants have described feeling under duress to access alternative Akelius England apartments, as with complaints regarding their housing conditions being ignored, they feel pressured to move out quickly, with the alternative apartments being the fastest and easiest option.

In addition, Akelius England's actions have also been shown to have an impact on security of tenure of tenants and on affordability. These, again, are important elements of the human right to housing.

One tenant in London, for example, was notified that Akelius England intended to issue a section 21 no fault eviction notice on them on the pretence that the flat in question was crucial to the renovation works that were being undertaken in the building. Akelius England noted that, having taken possession of the flat, it intended to renovate it as well. Akelius England served the eviction notice on the tenant and, afraid they would be made homeless, the tenant negotiated with the company to move into an alternative apartment in the same building for a period of discounted rent and the promise that they could move back to their original flat once the works were complete. Once the renovations were complete the tenant moved back to their original, now renovated, flat but was required to sign an extensive new contract and pay a higher rent than they had previously paid when living there, with Akelius England informing them that this would again increase in 12 months' time. Whilst in this instance no actual eviction took place, it is evident that the threat of eviction was utilised, at least in part, to clear the tenant's apartment in order to allow for renovations to take place.

Examples similar to the allegations above highlight the deeply detrimental impact of the financialization of housing, which leads to decision-making and housing provision which is devoid of consideration for the human right to housing, of which affordability based on household income is a key aspect, focusing instead on profit-making.

The lack of sufficient safeguards to prevent institutional investors from utilising peoples' homes to generate vast amounts of wealth has caused a detriment impact on vital facets of the right to adequate housing, including habitability and affordability. Investment in housing in the United Kingdom has disconnected

³ Incentives have been described as including periods of discounted rent, two weeks free rent and Akelius England covering the costs of the move.

housing from its core social purpose of providing people with a place to live in security and dignity.

While I do not wish to prejudge the accuracy of the information made available to me, I wish to express my concern for the effects of the financialization of housing in the United Kingdom, which has been facilitated, in part, by your Government's inaction and in particular by the ineffective legal and regulatory framework present within United Kingdom which allows housing to be turned into a mere investment and vehicle for profitmaking. This is despite adequate housing being recognised in international law as a human right. We invite you to consider the concerns outlined in this letter, with a view to developing a human rights-based response to them.

The financialization of residential real estate undermines the enjoyment of the rights to non-discrimination, equality and housing. The business model associated with financialization demands short-term profits, meaning there is heightened pressure placed on purchasing affordable housing, or housing that is itself regarded as "undervalued" or in 'undervalued' areas, often those with rent guidelines or controls in place. This is often where the most vulnerable communities are located. The financialized housing model necessitates securing the highest possible return on investment through the persistent extraction of profits through monthly rents, which results in the constant escalation of housing costs for tenants and a degradation in living conditions generated by renovations, which have been commenced for the primary purpose of pursuing profit. Turning housing into an investment thus leads to decision-making that is investor-driven rather than tenant centred. When the focus is on maximizing profits, housing becomes less affordable, less available, less secure, and less habitable. It can result in increased evictions or constructive displacement.

I use this opportunity to encourage the United Kingdom to recognize the impact of the financialization of housing on the enjoyment of the right to adequate housing and to take concerted legislative steps towards regulating Akelius and other actors and returning housing to its core function as a social good. Failure to do so can only be regarded as a retrogressive step, and accordingly puts the State at odds with its obligations under international human rights law.

In connection with the above alleged facts and concerns, please refer to the **Annex on Reference to international human rights law** attached to this letter which cites international human rights instruments and standards relevant to these allegations.

As it is my responsibility, under the mandate provided to me by the Human Rights Council, to seek to clarify all cases brought to my attention, I would be grateful for your observations on the following matters:

1. Please provide any additional information and any comment you may have on the above-mentioned allegations.

2. Please provide detailed information on any legislative measure, including with respect to tax laws, or laws governing companies that operate through tax havens or any other measures taken by the Government to prevent the negative human rights impact of the financialization of housing.
3. Please provide detailed information on any investigation undertaken on the business practices of Akelius United Kingdom and their impact on the human right to housing of residents in buildings owned by the company.

This communication and any response received from your Excellency's Government will be made public via the communications reporting [website](#) within 60 days. They will also subsequently be made available in the usual report to be presented to the Human Rights Council.

While awaiting a reply, I urge that all necessary interim measures be taken to halt the alleged violations and prevent their re-occurrence and in the event that the investigations support or suggest the allegations to be correct, to ensure the accountability of any person(s) responsible for the alleged violations.

I intend to publicly express our concerns about the human rights impact of Akelius' business practices in the near future as, in our view, the information upon which the press release will be based is sufficiently reliable to indicate a matter warranting immediate attention. I also believe that the wider public should be alerted to the potential implications of the above-mentioned allegations. The press release will indicate that I have been in contact with your Excellency's Government's to clarify the issues in question.

Please note that a letter with a similar content has been sent to other countries concerned, and to Akelius England's parent company, Akelius Residential, highlighting its human rights obligations as a private actor to avoid any harm and to take positive steps to realize the right to housing.

Please accept, Excellency, the assurances of my highest consideration.

Leilani Farha

Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

Annex
Reference to international human rights law

In connection with above alleged facts and concerns, I would like to remind your Excellency's Government of its obligations under various international human rights instruments, in particular the International Covenant on Economic, Social and Cultural Rights ratified by the United Kingdom on 20 May 1976, and more specifically article 11.1 which states that "[t]he States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions."

In addition, I would like to bring to your Government attention the UN Guiding Principles on Business and Human Rights, which remind States that they must protect against human rights abuse by business enterprises within their territory and/or jurisdiction. As part of their duty to protect against business-related human rights abuse, States are required to take appropriate steps to "prevent, investigate, punish and redress such abuse through effective policies, legislation, regulations and adjudication" (Guiding Principle 1). In addition, States should "enforce laws that are aimed at, or have the effect of, requiring business enterprises to respect human rights..." (Guiding Principle 3). In addition, according to the Guiding Principles, business entities also have an independent responsibility to respect human rights, including the right to adequate housing.

According to international human rights law, your Excellency's Government is required to take progressive measures, to the maximum of available resources, to ensure access to adequate housing for all without discrimination. To address the issue of financialization and its impact on the enjoyment of the right to housing, your Government must develop policies and laws that include a full range of taxation, regulatory and planning measures in order to re-establish housing as a human right, promote an inclusive housing system, prevent speculation and limit the extraction of profits at the expense of tenants. It is necessary, as well, to ensure that loopholes within rent control regulations do not incentivise institutional property investors commodifying housing by allowing above-guideline rent increases where they undertake, even when unnecessary, substantial renovations to properties. Achieving this will require a transformation of the relationship between your Government and the financial and private sectors, whereby human rights implementation becomes the overriding goal in all activities and processes. In this regard, we would draw to your attention to the Special Rapporteur's report on the financialization of housing (A/HRC/34/51).



UK Mission
Geneva

30 June 2020

Leilani Farha
UN Special Rapporteur on Adequate Housing
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Office of the High Commissioner for Human Rights
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Dear Special Rapporteur,

Communications AL GBR 1/2020 and AL GBR 2/2020 from the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

Please find attached two responses from the United Kingdom of Great Britain and Northern Ireland, further to the letters dated 27 April and 29 April 2020 from the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context.

Yours ever,

A handwritten signature in blue ink, appearing to read 'JNBraun'.

JULIAN BRAITHWAITE CMG

ANNEX

Response of the Government of the United Kingdom of Great Britain and Northern Ireland to AL GBR 1/2020, dated 27 April 2020, from the UN Special Rapporteur on adequate housing.

Note: Housing is a devolved matter in the United Kingdom. Akelius Residential only operate in England, hence replies to questions refer to policy in England only, unless otherwise stated. A full comparison of private rented sector policies in England, Wales, Scotland and Northern Ireland can be found [here](#)¹.

1. Please provide any additional information and any comment you may have on the above-mentioned allegations.

The private rented sector is the second largest tenure in England, comprising 4.6 million households. Although Akelius Residential are a large multinational corporate landlord, they are responsible for a very small proportion of privately rented homes in the United Kingdom and their portfolio within the United Kingdom is entirely based in London. The private rented sector in the United Kingdom has changed dramatically over the last 30 years, housing proportionately more families and older people. The vast majority of landlords provide safe, secure, and affordable homes for their tenants. Data from the most recent English Housing Survey² shows that the majority of private renters in England (84%) were satisfied with their current accommodation.

In recent years, the Build to Rent market, in which we would consider Akelius Residential operates, has grown considerably from an almost non-existent base. Build to Rent is purpose built, institutionally owned, and professionally managed rental stock. The Government of the United Kingdom strongly supports this expansion, as it boosts housing supply and diversifies the private rented sector. Overall, Build to Rent increases quality and choice for renters in cities and towns across the country. We want good quality Build to Rent to continue to grow and make a significant contribution to housing supply.

Affordable housing is a top priority for the Government of the United Kingdom, and we believe that the key to improving affordability for tenants is to build more homes for rent. The Government does not believe that controlling rents will result in a better private rented sector. The history of privately rented accommodation shows that rent controls risk restricting investment, which can worsen property conditions.

¹ <https://commonslibrary.parliament.uk/research-briefings/cbp-7624/>

² <https://www.gov.uk/government/collections/english-housing-survey>

Tenants in the United Kingdom are protected from retaliatory eviction through the Deregulation Act 2015, and the law is very clear that no tenant should be asked to leave their home just because they have raised concerns about the standards or safety of the property.

The Coronavirus Act 2020 delays when landlords are able to evict tenants. On Friday 5 June 2020 we announced that the current suspension of evictions from social or private rented accommodation will be extended by 2 months until 23 August 2020. This means that no action to evict a tenant will proceed before 24 August 2020. The emergency measures in the Coronavirus Act, which require landlords to give at least 3 months' notice to evict tenants, are unaffected by this and will remain in place until 30 September 2020.

Over recent years, the Government has introduced a series of legislative measures to reform the private rented sector. These are explained under point 2 below. We recognise there is more to do to and, as announced in the Queen's Speech³ in December 2019, we will soon introduce a package of reforms to deliver a fairer and more effective rental market. This will continue to improve the lives of tenants.

The Renters' Reform Bill will enhance renters' security and improve protections for short-term tenants by abolishing 'no fault' evictions and removing Section 21 of the Housing Act 1988. This represents a generational change in the law that governs private renting, so landlords would always have to provide a reason for ending a tenancy, such as breach of contract or wanting to sell. This will provide tenants with more stability, protecting them from having to make frequent and short notice moves, and enable them to put down roots and plan for the future.

Alongside this, we will continue to develop and implement measures to widen access to and expand the scope of the database of rogue landlords and property agents, giving greater powers to drive improvements in standards, and empowering tenants to make an informed choice about who they rent from.

2. Please provide detailed information on any legislative measure, including with respect to tax laws, or laws governing companies that operate through tax havens or any other measures taken by the Government to prevent the negative human rights impact of the financialisation of housing.

Since 2012, the Government has taken a number of steps to ensure that corporate purchasers pay their fair share when buying property. In 2012, the government introduced a rate of 15% Stamp Duty Land Tax for corporate purchases of residential property and in 2013 introduced the Annual Tax on Enveloped Dwellings, an annual

³ The Queens Speech forms part of the State Opening of Parliament. It sets out the programme of legislation that the Government intends to pursue in the forthcoming parliamentary session.

charge on companies owning residential property occupied by persons connected with that company. These measures had raised £1.3bn by the end of March 2019.

To contribute towards the Government's objective of ending rough sleeping we will introduce a 2% non-UK resident Stamp Duty Land Tax surcharge from 1 April 2021. The surcharge will also help control the inflation of house prices, benefitting people looking to buy their first home or move up the housing ladder.

The surcharge will apply to non-resident companies purchasing residential property as well as non-resident individuals. The revenue raised by the surcharge, over £100m per year, will be used to tackle rough sleeping.

Analysis certified by the Office of Budget Responsibility (OBR) suggests that over its first four year the surcharge will help 11,000 residents of the United Kingdom get onto, or move up, the housing ladder, as properties that would otherwise be purchased by non-residents are instead bought by residents of the United Kingdom.

Additional measures taken by the Government to improve affordability for tenants in the private rented sector include: banning letting fees paid by tenants, capping tenancy deposits, and supporting landlords and tenants agree appropriate rent increases through the free-to-use model tenancy agreement.

The Tenant Fees Act⁴ came into force on 1 June 2019, banning unfair fees and capping tenancy deposits. Fees previously charged for renewals, administrative costs, inventory, and credit checks are now banned, unless they are specified in an existing tenancy agreement signed before 1 June 2019. The Act introduced a cap on tenancy deposits of five weeks' rent where the annual rent is less than £50,000 and a cap of six weeks' rent where it is over this threshold. It also capped holding deposits at one week's rent. The provisions in the Act will benefit up to 4.5 million private renting households, and will save them an average of £70 per year.

To enforce the Tenant Fees Act, the Government has established a new lead enforcement authority for letting agents. The National Trading Standards Estate and Letting Agency Team received over £1m in funding for the financial year 2019-20 to support local authorities around the country in tackling rogue agents.

The Government has also made membership of a client money protection scheme mandatory for letting agents to ensure that each and every agent gives tenants and landlords the financial protections that they need. As of the end of December 2019, nearly 10,000 agents had joined an approved client money protection scheme and in total these schemes protect £3.4 billion worth of client money.

As part of our response to Covid-19, the Local Housing Allowance⁵, the rate used to calculate housing benefit for tenants renting from private landlords, has been increased so that it is set at the 30th percentile of market rents in each area. This will

⁴ <http://www.legislation.gov.uk/ukpga/2019/4/contents/enacted>

⁵ <https://www.gov.uk/guidance/local-housing-allowance>

help tenants who receive government housing support payments to continue to afford to pay their rent and avoid eviction during these unprecedented times.

Local authorities have strong powers under the Housing Act 2004⁶ to require landlords to keep their properties free from hazards, as assessed using the Housing Health & Safety Rating System. The Government introduced civil penalties of up to £30,000 as an alternative to prosecution, and Rent Repayment Orders, which require a landlord to repay a specified amount of rent to a tenant and/or local authority where there has been, for example, an illegal eviction or failure to comply with a statutory notice.

In order to prevent the most serious offenders from letting properties, the Government introduced banning orders and a database of rogue landlords and property agents as part of the Housing and Planning Act 2016. Both the banning orders and the database went live on 6 April 2018. In its current form, the database is used as an enforcement tool for local authorities. It enables local authorities to record and share information about, and target enforcement action against, rogue landlords and agents. Local authorities must record details on the database of landlords and property agents who are banned from operating as a landlord or agent, and at their discretion may add those who are convicted to banning order offences or who have received two or more civil penalties for housing offences in a 12 month period.

As part of the Renters' Reform Bill, the Government intends to bring forward proposals to widen access to the database of rogue landlords and property agents, and expand the scope of the offences contained within it. The Government is currently analysing responses to the 2019 consultation on these reforms and will publish a response in due course.

The Government recently took further action by giving tenants the power to sue unscrupulous landlords who refuse to keep their property fit for human habitation through the Homes (Fitness for Human Habitation) Act 2018⁷. Landlords must make sure their property is free of hazards which are so serious that the dwelling is not reasonably suitable for occupation. Most landlords take this responsibility seriously. When a landlord fails to do so, the tenant now has the right to take action in the courts for breach of contract on the grounds that the property is unfit for human habitation.

As mentioned above, when a tenant makes a genuine complaint about the condition of their property that has not been addressed by their landlord and the local authority has served either an improvement notice or a notice of emergency remedial action, a landlord cannot evict that tenant for six months using the Section 21 eviction procedure. This is in addition to strong legal protections which tenants have against harassment and unlawful eviction.

⁶ <http://www.legislation.gov.uk/ukpga/2004/34/contents>

⁷ <http://www.legislation.gov.uk/ukpga/2018/34/enacted>

3. Please provide detailed information on any investigation undertaken on the business practices of Akelius United Kingdom and their impact on the human right to housing of residents in buildings owned by the company.

Nationally set standards in the private rented sector are enforced by local authorities through the civil penalties, court actions, and banning orders outlined above.

Akelius Residential is a member of the Property Ombudsman⁸, which provides an avenue for consumers to seek alternative dispute resolution where they have a complaint which the company fails to resolve to their satisfaction. We are aware that a complaint against Akelius to the Property Ombudsman is currently being considered. The Property Ombudsman is independent of Government, and the UK Government is not involved in this complaint.

⁸ <https://www.tpos.co.uk/>